VIRGINIA BUSINESS REPORT

BUREAU OF BUSINESS RESEARCH, SCHOOL OF BUSINESS ADMINISTRATION
THE COLLEGE OF WILLIAM AND MARY, WILLIAMSBURG, VIRGINIA

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Business In Virginia April, 1987 Data

Last month we reported the state's first quarter quarter 1987 performance compared to the first quarter 1986: declines in building permits and new car registrations and generally slower growth rates in other economic indicators such as payroll employment, retail sales, and total spending.

April data reveal continuing declines in building permits, down 16.8 percent from April 1986, and new car registrations, down 1.9 percent. Retail sales by our sample of stores accelerated to a 4.5 percent gain over last April, buoyed by Easter sales. Total spending, as evidenced by bank debits, also showed a strong April increase, up 23 percent statewide. The cumulative 1987 results reported in Table III, however, confirm the economic picture described last month.

This month we will focus on some of the local areas where economic developments differ substantially from the state averages.

Northern Virginia's job growth has slowed far more dramatically than the state's, moving from 9.4 percent in the first quarter of 1986 to 5.0 percent during the first quarter of 1987. Five percent payroll job growth, however, still is the highest rate among the Commonwealth's eight Metropolitan Statistical Areas(MSAs) and a point above the state average of 4.0 percent. The building boom also is continuing there, with a 403 percent increase in building permits through April. On the other hand, retail sales growth is merely tracking the statewide performance.

In the Hampton Roads area, payroll job growth during the first quarter was 2.3 percent, less than one-half of the 5.8 percent rise in the first quarter of 1986. Building permits through April are down on both sides of the James River by more than the state average, while retail sales gains remain about average in the overall MSA.

Meanwhile, the first quarter payroll employment growth rates of 4.0 percent in Charlottesville and 3.9 percent in the Richmond-Petersburg MSA are in each case above the first quarter 1986 rates, pointing to a rising contribution to state growth from these areas. Job growth rates in Danville and Lynchburg remain low, 1.5 and 1.6 percent respectively, but those growth rates are an improvement compared to the same period last year. Steadily increasing job growth in these two MSAs should bring them more in line with the state average as 1987 progresses.

Areas other than the eight MSAs have become the growth leaders by most measures. The Fredericksburg area is the 1987 leader so far, with strong growth in retail sales, total spending, and building permits along with a below-average decrease in new car registrations. The area's current economic strength is a continuation of an exceptional 1986 performance.

Another booming area is the Shenandoah Valley, from Staunton through Harrisonburg to Winchester. Building permits through April have risen more strongly this year than last in those localities, showing a continuing construction boom. Retail sales growth

Chart I

Nine Selected Business & Economic Indicators Percentage Change

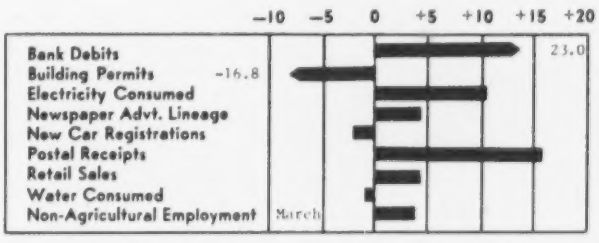
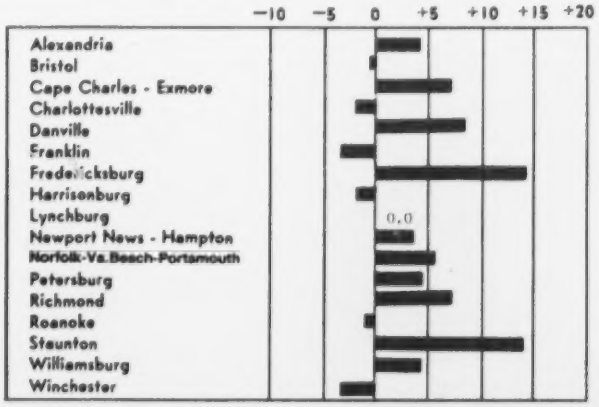


Chart II

City Indices



SELECTED BUSINESS AND ECONOMIC INDICATORS FOR 17 CITIES

TABLE I April 1987

Monthly Index Number Comparisons of Current Month to Same Month in Base Period (1977) - Base Period = 100

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	NON AGRI-CULTURAL EMPLOYMENT #	WATER CONSUMED	RETAIL SALES †	POSTAL RECEIPTS
The State		428.9	178.6	136.8	115.7	159.2	135.8	89.7	155.4	383.9
Alexandria	155.8	1178.1	147.5	147.0	N.A.	128.3	179.7	92.5	181.0	N.A.
Bristol	132.7	N.A.	147.0	109.8	77.8	72.0	111.3	106.1	135.0	312.1
Cape Charles - Exmore	129.9	N.A.	418.8	119.8	N.A.	83.7	N.A.	N.A.	127.6	192.8
Charlottesville	187.7	303.2	110.5	128.3	N.A.	113.5	106.2	115.5	238.4	322.6
Danville	137.3	N.A.	136.6	107.9	141.8	88.5	95.8	138.0	N.A.	252.0
Franklin	135.1	N.A.	145.8	111.7	130.0	95.1	N.A.	89.9	122.4	287.0
Fredericksburg	335.4	211.9	266.8	N.A.	182.1	182.5	N.A.	62.1	270.4	1110.2
Harrisonburg	174.3	298.2	345.4	N.A.	155.0	103.8	N.A.	124.7	175.5	310.0
Lynchburg	246.6	431.0	162.8	121.5	N.A.	94.1	97.5	111.5	193.7	967.2
Newport News - Hampton	133.5	N.A.	227.8	118.9	97.4	107.5	134.5]	114.7	165.0	N.A.
Norfolk - Va. Beach - Portsmouth	188.3	111.4	253.2	150.3	94.2	121.1		78.6	309.2	N.A.
Petersburg	158.0	263.5	248.1	N.A.	N.A.	73.5	126.8]	92.9	191.2	239.4
Richmond	167.8	492.9	401.1	150.3	136.6	128.6		93.7	179.5	336.1
Roanoke	167.4	392.2	54.1	105.7	179.5	79.7	120.5	99.4	191.8	346.7
Staunton	142.7	165.4	71.3	N.A.	96.3	95.6	N.A.	N.A.	138.4	248.8
Williamsburg	173.5	182.8	13.0	156.6	N.A.	140.7	N.A.	90.6	148.9	379.8
Winchester	172.8	N.A.	138.6	136.6	256.5	125.4	N.A.	N.A.	N.A.	N.A.

TABLE II April 1987

Percentage Change from same month last year.

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	March NON AGRI-CULTURAL EMPLOYMENT#	WATER CONSUMED	RETAIL SALES †	March RETAIL SALES ‡
The State		23.0	-16.8	10.4	4.6	-1.9	3.9	-0.3	4.5	0.7
Alexandria	3.9	45.1	28.8	14.5	N.A.	2.6	4.8	0.6	-6.0	2.9
Bristol	-0.4	N.A.	9.6	5.3	-4.7	-26.1	3.4	38.7	-6.0	-2.5
Cape Charles - Exmore	7.3	N.A.	-7.2	3.8	N.A.	-13.4	N.A.	29.5	7.7	8.1
Charlottesville	-2.0	15.7	-22.9	9.1	N.A.	-22.3	4.1	-7.5	2.6	-6.9
Danville	8.4	N.A.	18.7	4.3	10.1	-9.6	1.0	49.5	N.A.	-5.1
Franklin	-3.6	N.A.	104.8	9.8	7.3	-29.3	N.A.	-4.2	0.1	-12.6
Fredericksburg	14.1	26.9	-15.6	N.A.	16.5	-9.8	N.A.	3.5	25.9	10.6
Harrisonburg	-1.4	7.9	-48.9	N.A.	5.8	-1.0	N.A.	-11.0	-3.1	5.7
Lynchburg	0.0	-4.0	-4.8	5.3	N.A.	-20.2	1.7	-6.1	4.6	5.8
Newport News - Hampton	3.7	N.A.	-61.4	17.0	7.3	11.2	2.0]	-15.0	2.2	4.6
Norfolk - Va. Beach - Portsmouth	5.3	2.9	-3.7	11.4	-2.9	4.2		4.9	8.5	2.6
Petersburg	4.6	-5.2	-54.9	N.A.	N.A.	2.3	4.1]	-3.7	12.3	-7.5
Richmond	7.2	27.6	117.8	7.4	12.4	-1.6		-7.5	7.8	26.9
Roanoke	-0.8	-12.2	7.6	4.8	0.7	-17.4	2.4	-5.9	6.1	-9.7
Staunton	13.8	16.8	-26.0	N.A.	4.1	-15.2	N.A.	N.A.	32.7	-4.2
Williamsburg	4.0	8.8	-96.0	6.5	N.A.	-1.2	N.A.	-1.5	12.7	-16.0
Winchester	-3.2	N.A.	29.8	4.0	4.0	-16.2	N.A.	N.A.	N.A.	-4.5

SELECTED BUSINESS AND ECONOMIC INDICATORS FOR 17 CITIES

TABLE III

Percentage Change January - April from same period last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV. LINAGE	NEW CAR REGIS-TRATIONS	Jan.-Mar. NON AGRI-CULTURAL EMPLOYMENT #	WATER CONSUMED	RETAIL SALES†	Jan.-Mar. RETAIL SALES‡
The State		15.7	-9.1	6.6	1.6	-8.3	4.0	0.6	2.2	11.0
Alexandria	4.0	37.7	403.0	11.2	N.A.	-2.7	5.0	0.3	2.2	11.8
Bristol	-1.5	N.A.	-35.2	-1.6	0.9	-19.8	3.5	19.8	-5.1	11.0
Cape Charles - Exmore	5.3	N.A.	-39.8	7.2	N.A.	-23.9	N.A.	27.3	2.6	18.4
Charlottesville	1.2	25.8	3.6	8.4	N.A.	-23.5	4.0	-1.0	2.4	14.7
Danville	-0.1	N.A.	-26.0	6.5	3.5	-26.4	1.5	12.0	N.A.	2.3
Franklin	4.4	N.A.	-13.1	9.6	5.7	-5.7	N.A.	1.0	-3.0	33.2
Fredericksburg	7.5	34.4	47.6	N.A.	9.6	-3.1	N.A.	5.5	7.1	19.3
Harrisonburg	1.9	2.3	44.8	N.A.	1.4	-16.2	N.A.	1.7	2.4	18.9
Lynchburg	-1.4	-4.3	46.7	4.3	N.A.	-19.9	1.6	-8.3	0.0	11.1
Newport News - Hampton	0.9	N.A.	-42.2	5.9	3.9	-3.0	2.3]	-5.0	-2.1	10.4
Norfolk - Portsmouth	3.0	67.1	-17.8	1.8	-0.5	-4.2		4.7	4.5	9.8
Petersburg	2.8	-20.4	-53.1	N.A.	N.A.	-11.0	3.9]	3.6	3.5	12.4
Richmond	2.0	14.9	105.1	7.5	4.2	-6.8		-2.9	-0.6	14.0
Roanoke	1.4	-13.5	45.5	1.4	-2.5	-22.7	2.7	-1.0	3.1	0.2
Staunton	6.8	5.3	63.4	N.A.	-0.4	-22.6	N.A.	N.A.	16.3	14.7
Williamsburg	4.4	11.9	-62.6	8.6	N.A.	-14.8	N.A.	5.2	9.1	4.7
Winchester	1.3	N.A.	46.7	3.9	N.A.	-22.5	N.A.	N.A.	N.A.	22.4

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits and Bank Debits, which are excluded because of their highly erratic nature.
#Virginia Employment Commission data which lags behind current reports.
†Preliminary data based on a survey sample.
‡Revised data based on sales tax information which lags behind current reports.
]Only total MSA data are available for these areas

N.A. — Not Available
O.O. — No Change

for the year to date has been above average in the Valley in spite of some erratic statistics for the month of April. The only clear weakness is a minor one, a well above average drop in new car sales throughout the region. We look for the Fredericksburg area and the Shenandoah Valley to remain growth leaders throughout 1987, contributing strongly to the rising overall growth in the non-MSA portions of Virginia. RLP

BUSINESS SUCCESS IS BEING POSITIVE

By
Joseph L. Boyd, Dean
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This article is condensed from Dr. Boyd's speech at our Beta Gamma Sigma honor society initiation. He gratiously consented for us to share his insights with our readers. RLP

We all know that positve and negative are words far apart in their meaning and implication. The territory between them is the jousting arena where the success or failure of every business enterprise is determined and the happiness or misery of lives decided.

Victory tends to favor the contestants who tilt under the positive banner. They are people who have trained themselves to think "What action am I going to take?" instead of "What is going to happen to me?"

Being positive is an element in initiative, which is the ability to think of and do new things. Some persons stumble over opportunities as if they were obstacles, but positive people seek the plus values.

An example of substituting a positive thought for a negative is provided by the discovery of penicillin. Many bacteriologists had seen that cultures of microbes were spoiled when exposed to molds, but all they concluded was that molds must be kept out of such cultures. It took a stroke of genius to see the medicinal promise of the basic observation.

This example shows also that it does not take much to turn things in your favor. Noticing trifles, observing their nature, and connecting thoughts about them with knowledge already stored in your mind produces new ideas. Shakespeare heard talk about a small coral island, and on this hearsay erected his magnificent fantasy of THE TEMPEST.

All of the progress of civilization is due to the constructive thinking of people. The record of history is brilliant with the deeds of men and women who said "I can", while it is silent for the most part concerning those who said "I can't". Positive people believe that it is better to fail in carrying out a project than to not fail because they have not tried. Usually, one finds the power to accomplish any task of which one's reason approves.

Enthusiasm is a necessary ingredient in doing a job successfully. Great works are often performed not by strength but by perseverance. Ideally, the artist, the scientist, the business executive, the inventor and the writer are moved by such an irresistible impulse to create something that, far from striking for higher income and shorter hours, they are willing even to pay for the chance to bring forth something new.

The desire for something is more than simple willingness to receive. It is positive, purposeful, energetic and creative. It is powered by our initiative and energy and perseverance, and all these are positive forces. You keep your eye on where you want to go.

Wise people make their own future. They give themselves heart and soul to something beyond the satisfaction of today's wants. They do not give credence to fate and destiny and waves of the future. Those are abstract things. Instead, they consider the ways in which to determine their own future right now. A belief in predestination may be a cowardly escape from the responsibility of making a positive decision and doing a positive action.

A design is needed. Without a plan, all our little bricks of reconstruction might just as well remain in the brick yard. Chains of consequences do not always follow the pattern we lay out, but it is just as well to start them in the right direction.

A creative person does not follow rules slavishly, although he needs to know them. Shakespeare departed from the rules of drama and Tintoretto from the rules of art with some success. One must sometimes take a leap without seeing what is on the other side of the wall. That means saying: "To the best of my lights at this moment this is what I choose to do, even though I may know more and choose differently tomorrow."

There are options open. When one comes to a fork in the road and must decide what to do he has several choices: he may sit down, he may step out on this or that of the diverging paths, or he may turn his back on the problem and go home.

No one can become dominant in his field unless he does independent thinking, comes to his own decisions, checks them for their accuracy, and acts upon them. People who hesitate between being positive or negative are in an unfortunate position. By remaining in the middle of the road they incur the danger of being run over by both lanes of traffic instead of by only one.

Most people who are placed in positions where they must think judicially seek to find a specific rule instead of trying specific cases by general rules. It is an affront to use generalities when particulars are available, but a person will deal more constructively with individual cases when he is acquainted with general rules.

The first distinguishing characteristic of straight thinking is facing the facts. When you are explicit, and differentiate between what you know and what you do not know but merely take for granted, you avoid the vagueness in which many people live.

An ideal is the highest product of the imagination. It may be out of reach: it is, nevertheless, a necessary point at which to aim.

Anyone's sense of what is good and valuable and desirable must take account of one's environment and his or her individual brand of human nature. A sense of value is a positive motive power. It is true that it imposes on life many labors, but without it we should sink back into the negativism of lower types which are given the right to live and desire nothing else.

To talk of "rights" is to talk negatively, for rights can only organize resistance. Duty is positive. Among the positive actions to which we are obliged to pay attention are: to maintain ourselves and our families in health and comfort; to pay our debts, to increase our prosperity by increasing efficiency.

The person who practices this positive-oriented way of living is not accommodating himself to the ills of society, trying to make the best of them, but is constructing his life on a sense of values that places the trivia of daily life in manageable perspective.

Business Success is being positive. It means that one has to be enthusiastic, one has to know what his objectives are, one has to be prudent, one has to be able to make a decision and one has to be idealistic.

Being positive means shifting thoughts from things that are against you and focusing them on the vast power that is for you. And having made up your mind to do something positive, spare no pains, do it thoroughly and well. It is the use we make of our capacities that determines the success of our efforts.

Give life your positive ideas. Every person is, regarding his own life, like the leader of an orchestra: inspiring, guiding, restraining, coordinating, interpreting the manifold qualities of his being. He has stature. He believes in himself. JLB

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